



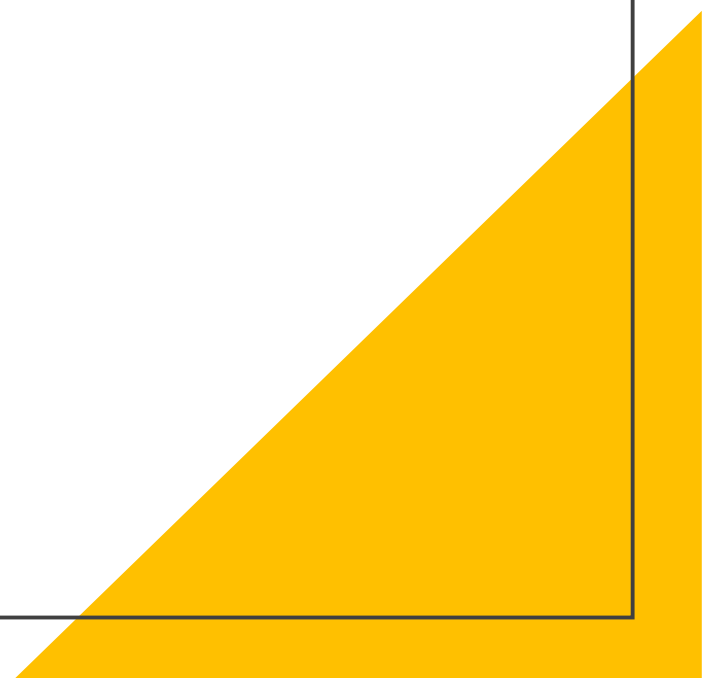
FICCI-IAN Survey on the Impact of Covid-19 on Indian Start-ups

June 2020

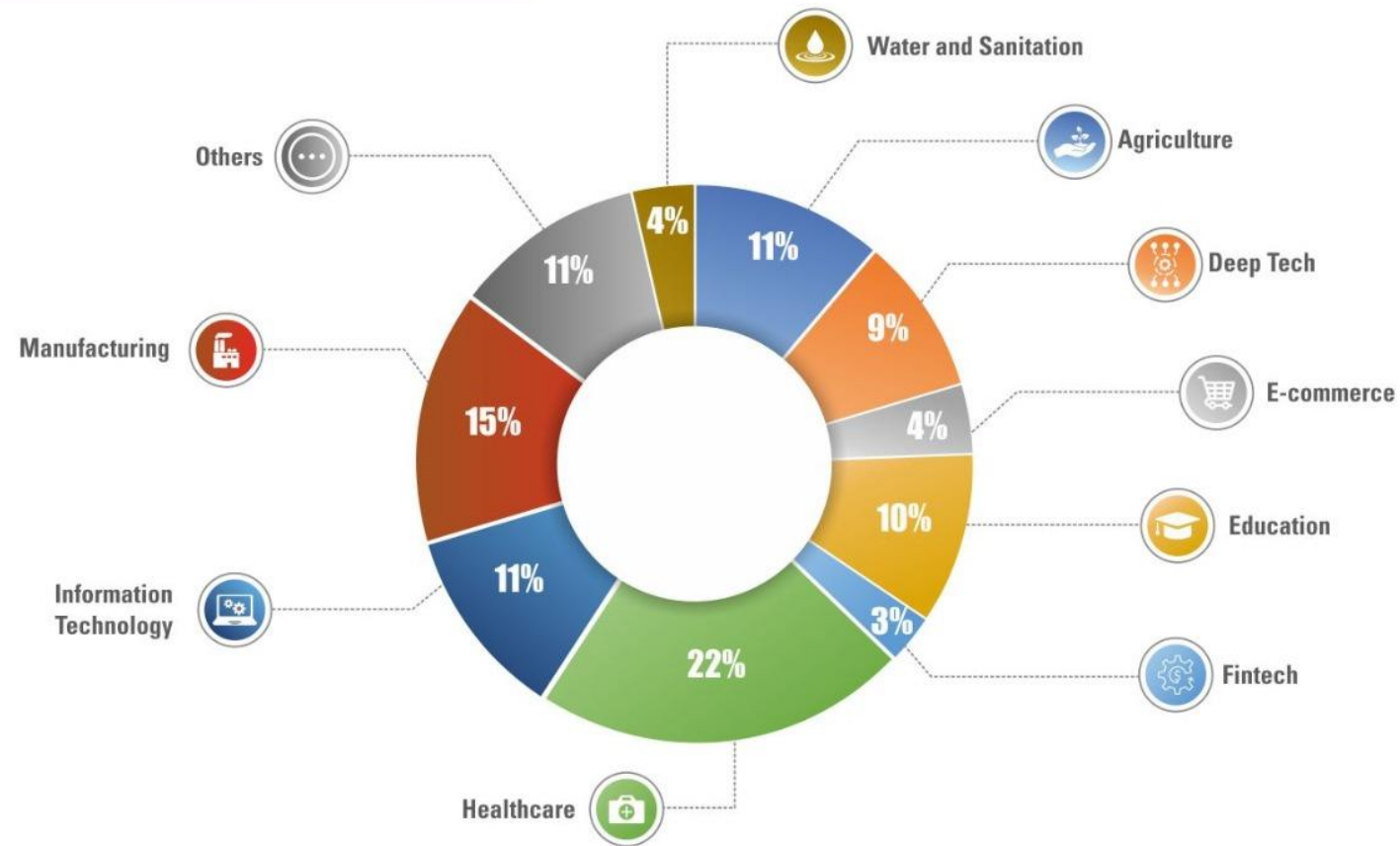


Total number
of start-ups
responded to
the survey:
250

Key Findings



SECTORAL ANALYSIS OF 250 RESPONDENTS



Sectoral
analysis of
250
respondents

Gender Analysis

84%



16%



Gender
analysis of
respondents

Impact of Covid-19 pandemic on the Indian Startups

NEGATIVE
IMPACT ON
BUSINESS

70%

GROWTH
IN
BUSINESS

16%

NO IMPACT
ON
BUSINESS

14%

How has
Covid-19
Impacted
the Indian
Start-ups



IMPACT OF LOCKDOWN ON START-UP OPERATIONS

60%

Operating with
some disruption

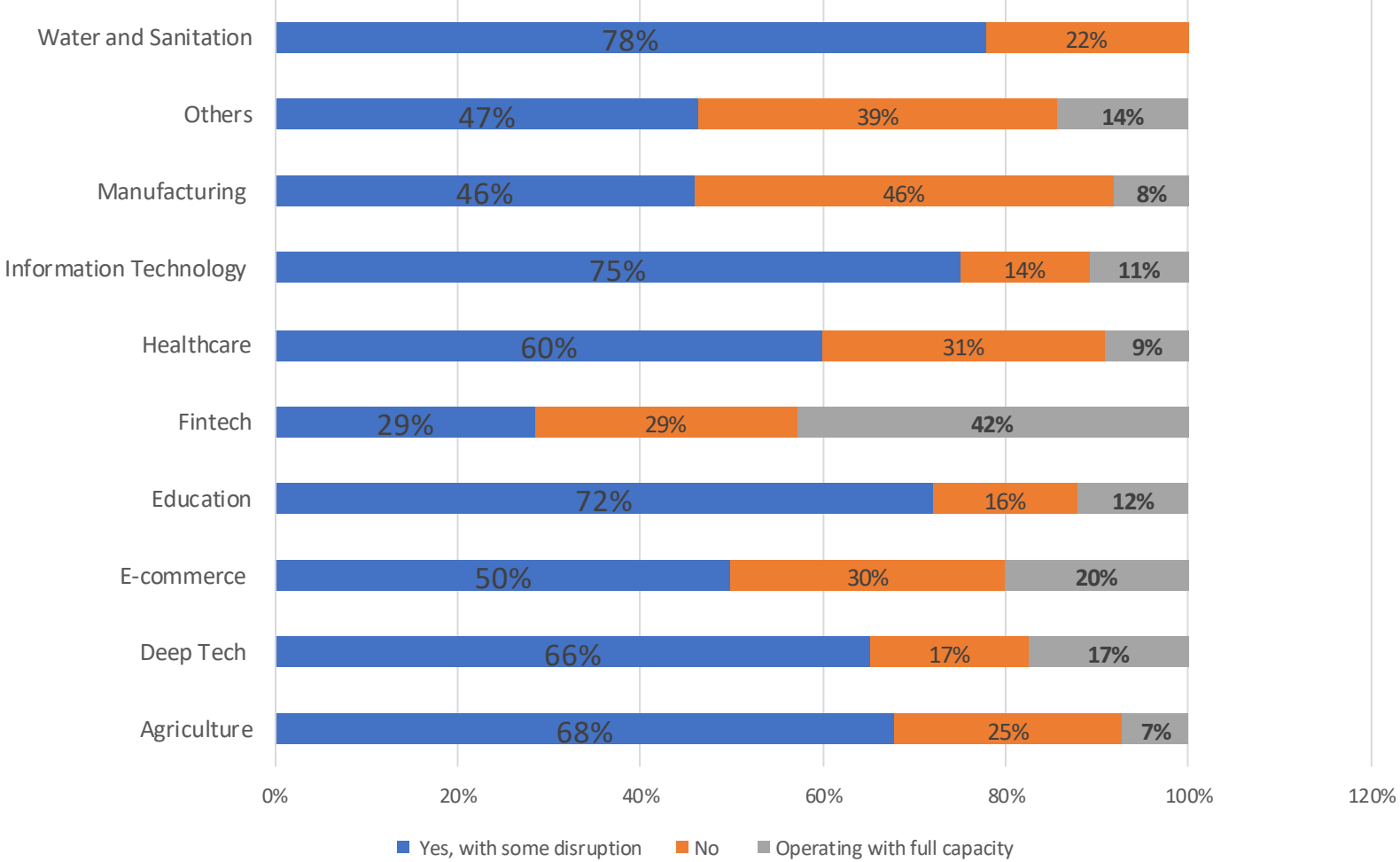
28%

Operating with
full capacity

12%

Not Operating

Chart Title

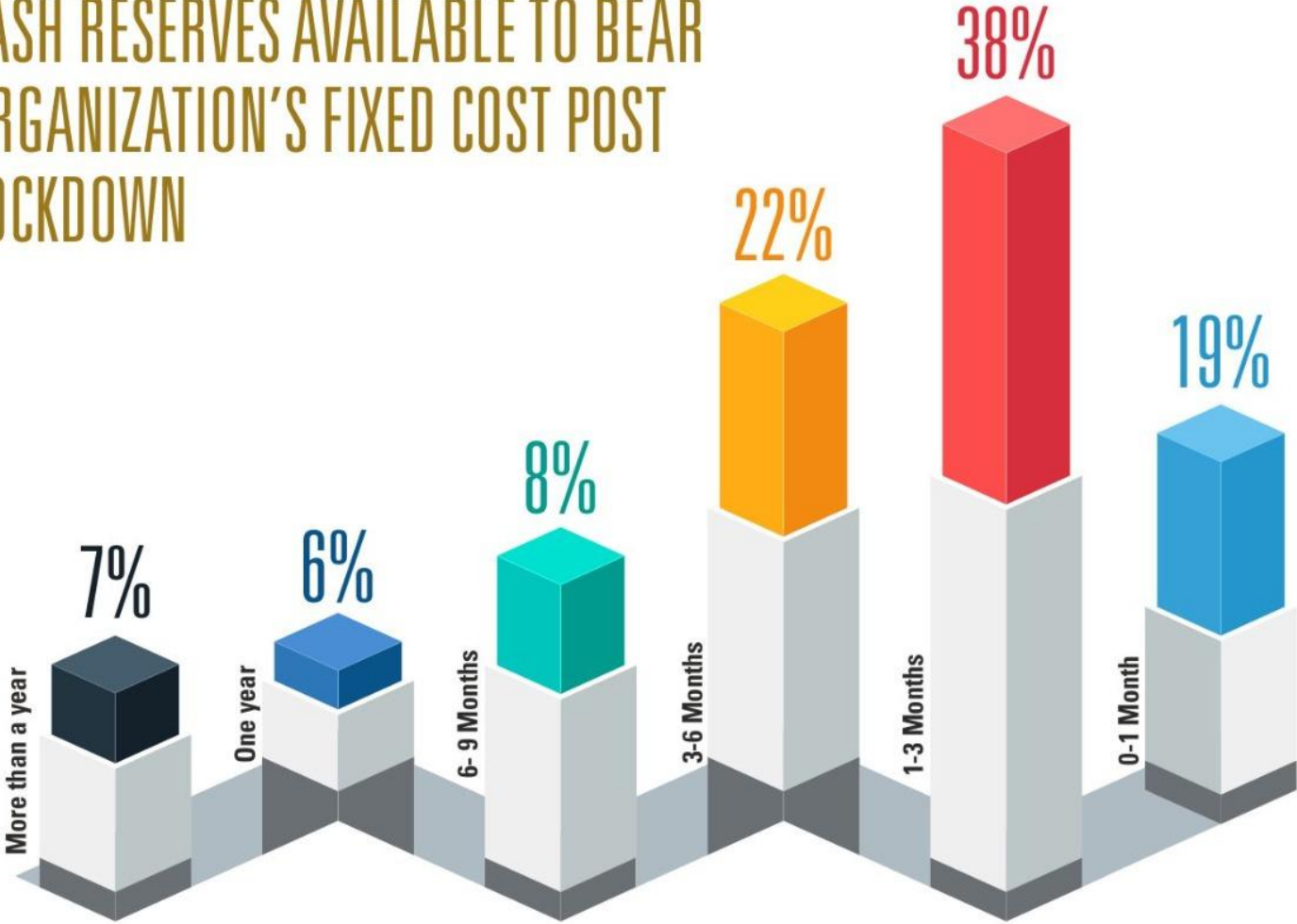


Sector wise status of operations post Covid lockdown



Liquidity status and cost-reduction measures taken by start-ups

CASH RESERVES AVAILABLE TO BEAR ORGANIZATION'S FIXED COST POST LOCKDOWN



Cash reserves available to bear organization's fixed cost post lockdown (24th March 2020)

68%

Reducing
Administrative and
Operational Costs

18%

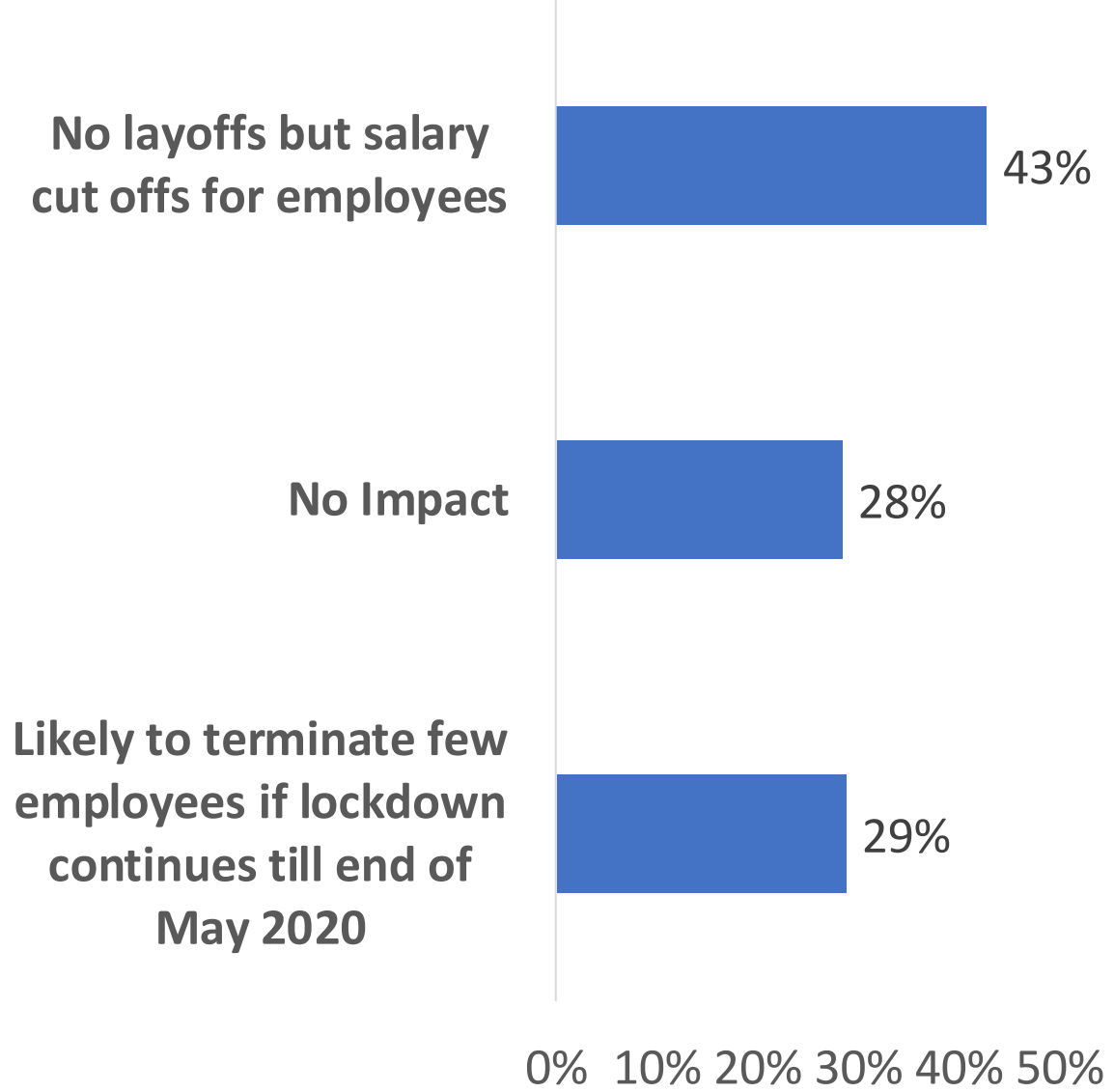
Layoffs

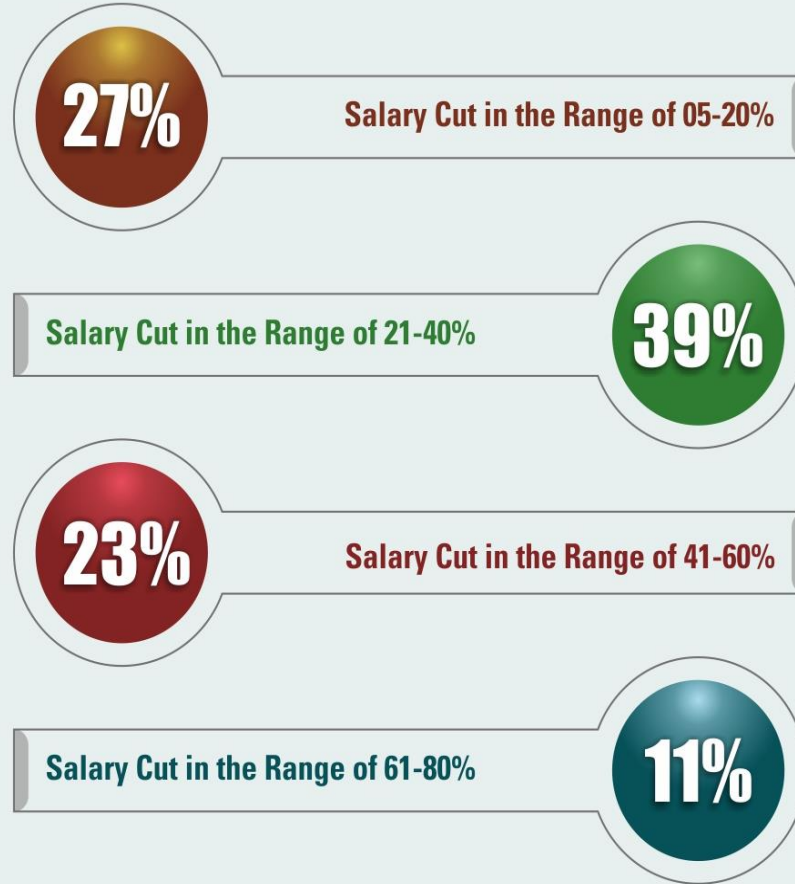
14%

No reduction post
Covid-19

Cost reduction
measures by
Start-ups
during Covid-19
pandemic

Impact of Covid-19 on start-up workforce





Range of
salary cuts
across start-
ups



Impact of Covid-19 on Start-up Investments



What has been the investor response to the pitch you made pre lockdown

33%

Investor has put the decision on hold

32%

No response by Investors

17%

Signed the agreement yet to receive the funds

10%

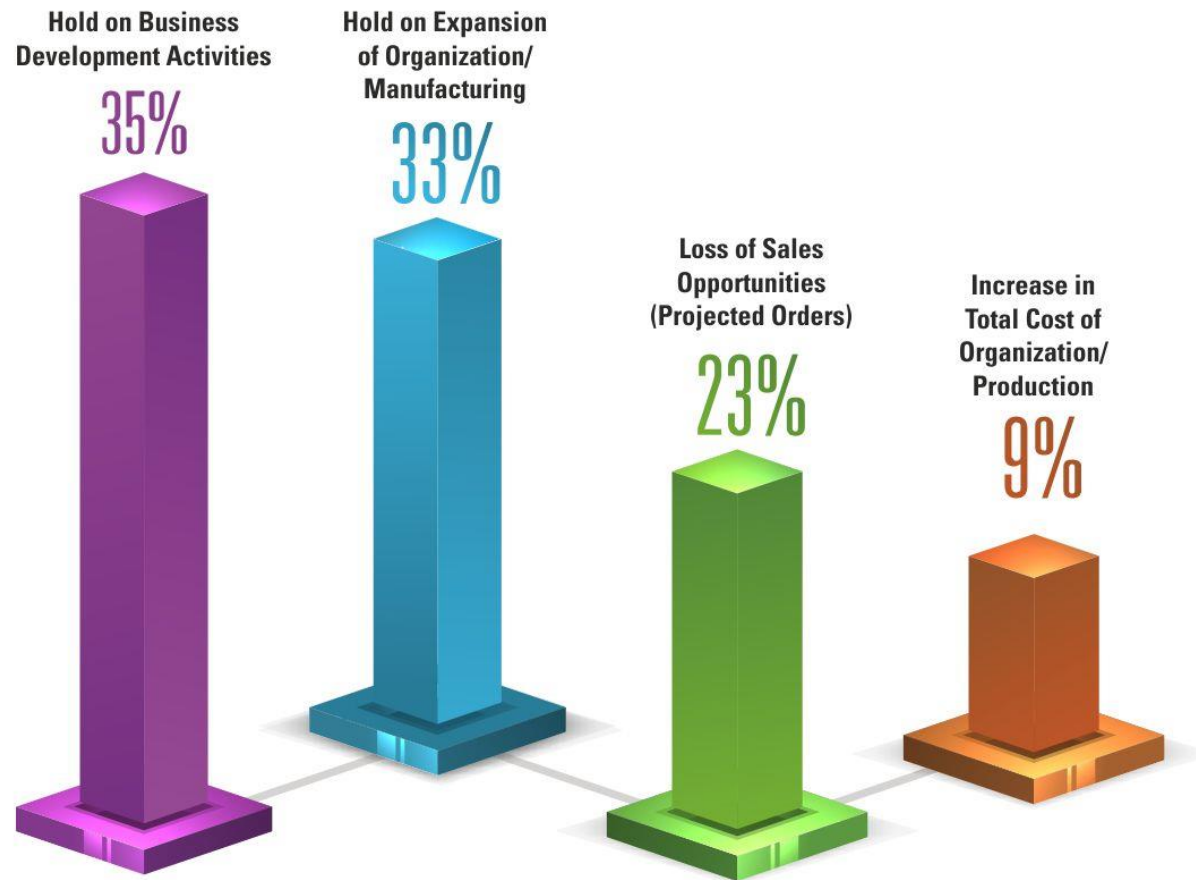
Deal Cancelled

8%

Signed the agreement received the funds

Deal Status

Impact on Startups Due to Reduced Funding from Investors



Support sought by start-ups

- Monetary assistance for working capital
- Tax reliefs & swifter tax refunds
- Statutory relief to investors to boost investments in start-ups
- Government procurement
- Approval on pending applications with government



25%

Purchase order from the government with payment cycle of 30 days

24%

Incentives to investors to boost investments in start-ups

20%

Tax refunds, if any to be credited at the earliest

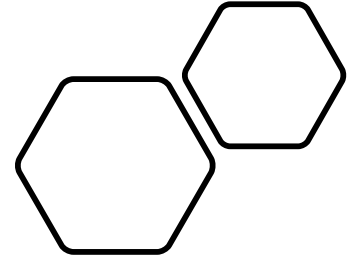
16%

Relaxation by Statutory bodies for payment to the government

15%

Payment of all due bills by government (State/Central) to the start-ups

RELIEF SOUGHT BY THE START-UPS



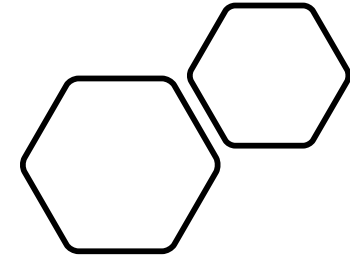
FINANCIAL SUPPORT REQUIRED BY START-UPS

36% Immediate fiscal support like Grants to preserve company liquidity

24% Soft Loans

26% Exclusive funding support to protect employees, like payroll grants

14% Approvals on all pending eligible applications lying at ministries/departments for Funding



INCUBATOR SURVEY

Number of Incubator Respondents: 34



Impact of Covid-19 on Incubator operations

Decrease in day to day operations

0-25%

15%

26-50%

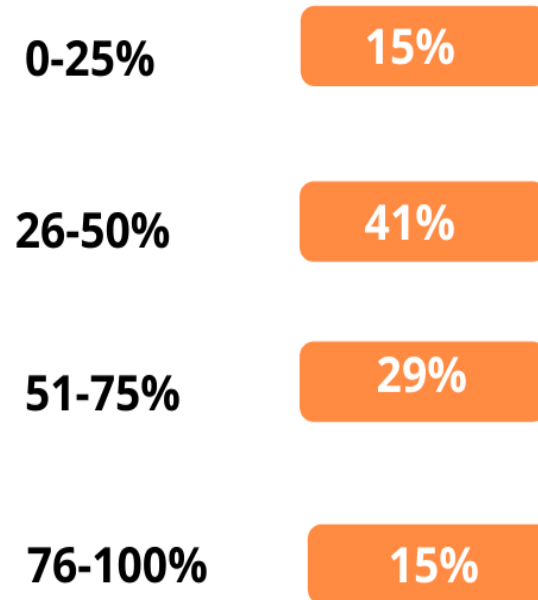
41%

51-75%

29%

76-100%

15%



**ARE THE
INCUBATORS
ABLE TO
MAINTAIN
REGULAR
INTERACTION
WITH THEIR
INCUBATEES**

41%

MAJORITY BUT NOT ALL

24%

LIMITED BUT NOT ALL

26%

YES

9%

NO

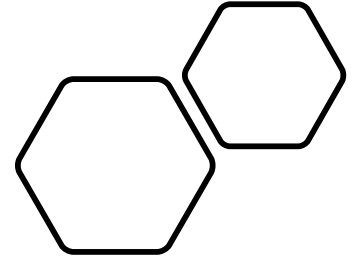
41% Moderate

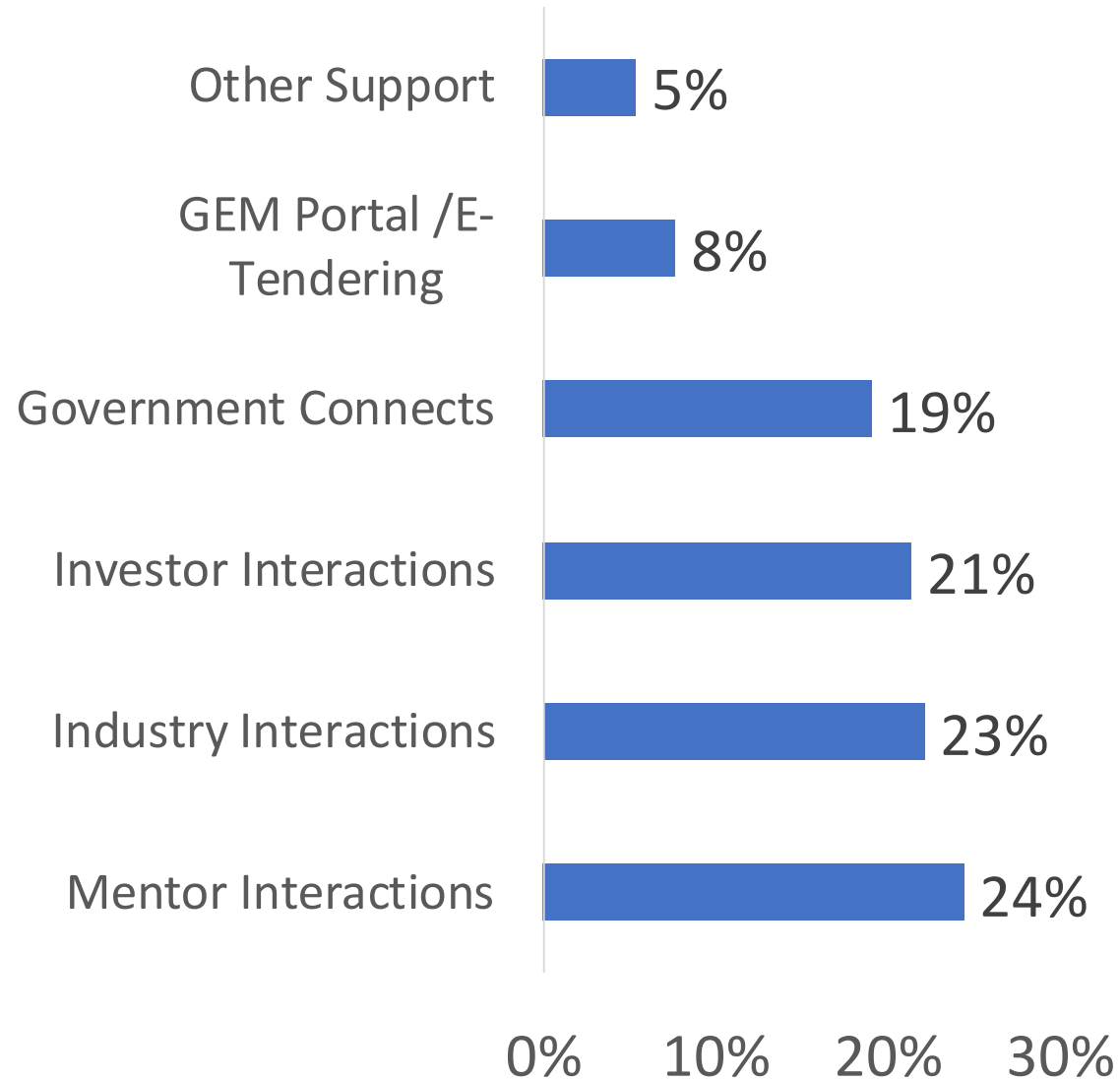
32% Low

24% Very Low

3% High

**ARE INCUBATORS
ABLE TO PROVIDE
FUNDRAISING
OPPORTUNITIES TO
INCUBATEES
DURING COVID-19
PANDEMIC?**





Support being offered by incubators to their portfolio companies



3 Months	14%
6 Months	38%
9 Months	12%
12 Months	18%
Over 12 Months	18%

In how many months do you expect incubator operations to resume normal operations

64%

Challenges in Operation Management

12%

Lack of Cash flow

12%

Low engagement with stakeholders

6%

Lack of Investor network exposure

3%

Non Availability of seed support

3%

Resource mobilisation

CHALLENGES FACED BY INCUBATORS DURING COVID-19



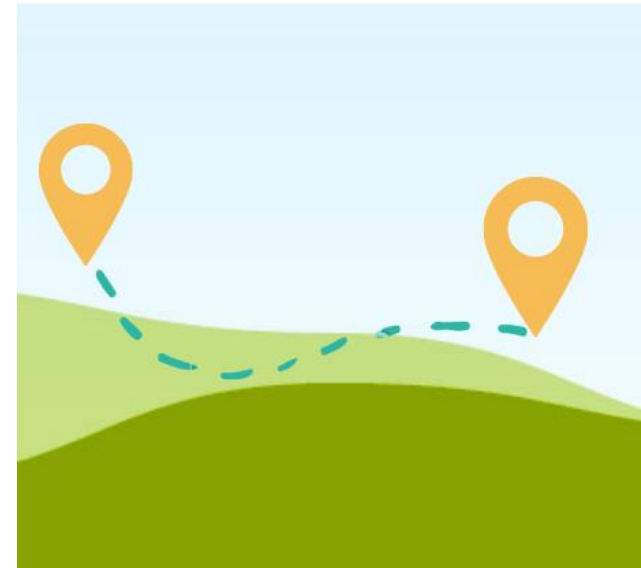
INVESTOR SURVEY



Number of
Survey
Respondents
: 27



LOCATION OF
INVESTORS



41%

Bengaluru

25%

Mumbai

11%

Hyderabad

7%

Delhi

4%

Jaipur

4%

Gurgaon

4%

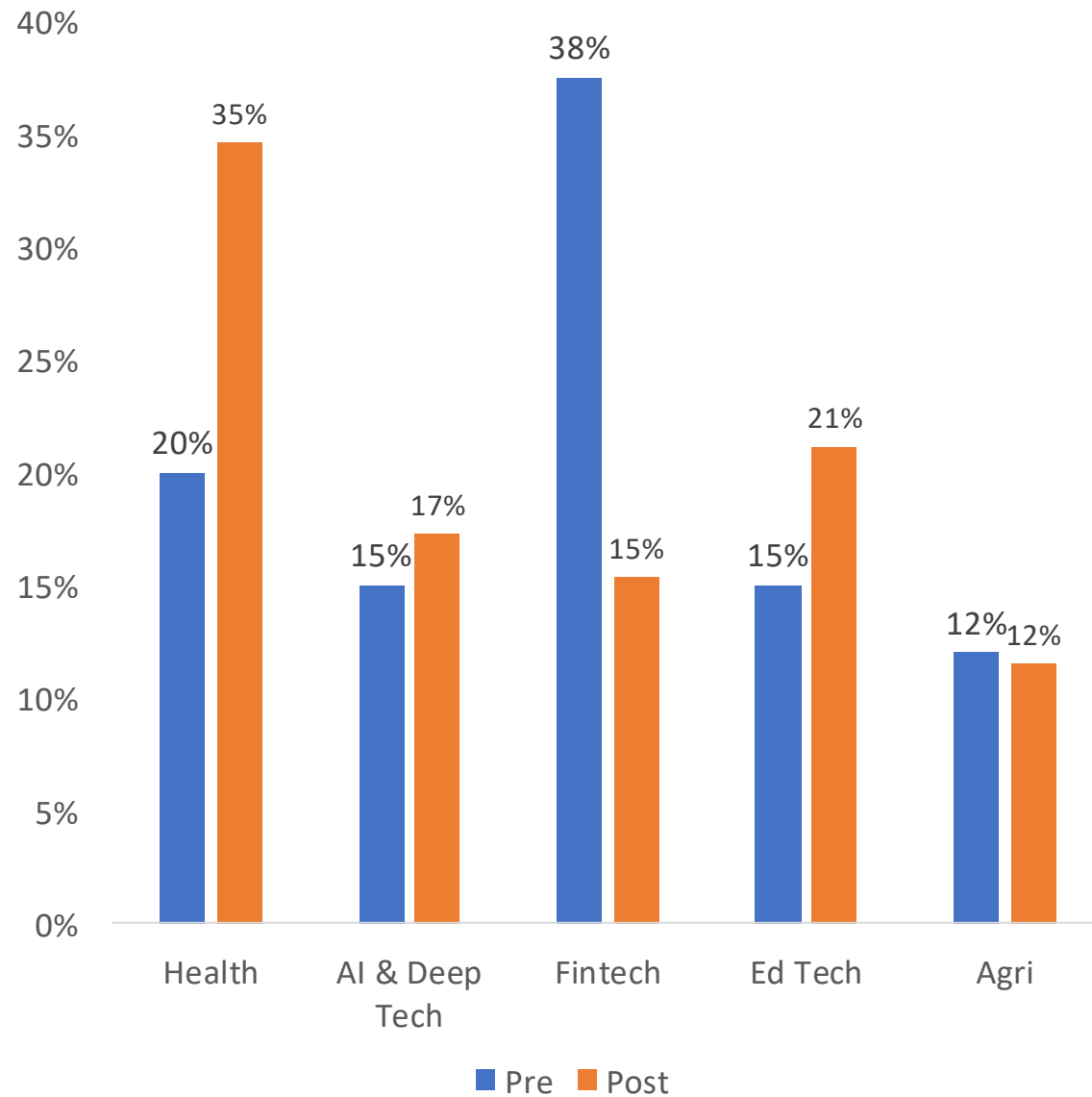
Ahmedabad

4%

Guwahati

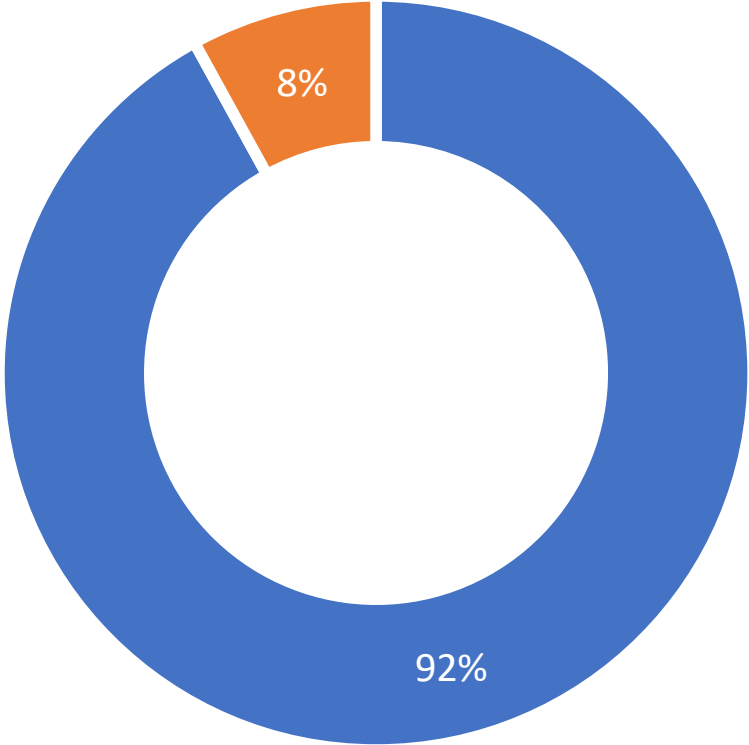
Impact of Covid-19 on Investments in Start-ups





Top 5 Priority Sectors for Investors Pre & Post during Covid-19

Will the Start-up Investments continue to be impacted over the next six months?



■ Yes ■ No

GOING FORWARD, WHAT
WOULD BE INVESTOR
PREFERENCE

41%
NEW DEALS

59%
PREFER WORKING WITH
EXISTING PORTFOLIO
COMPANIES TILL SITUATION
IMPROVES

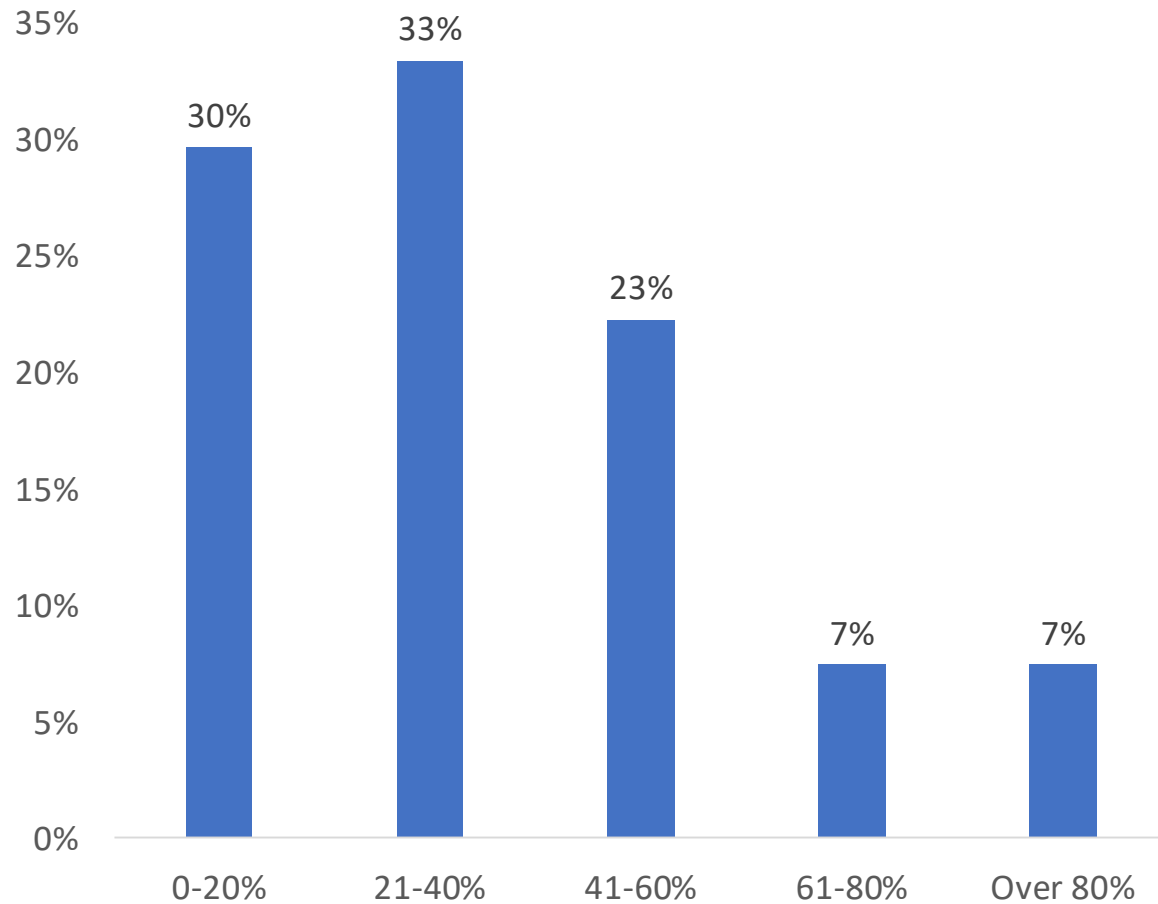
IS THERE A CHANGE IN
INVESTOR STRATEGY
OWING TO COVID -19

26% SIGNIFICANT

63% MODERATE

11% NO CHANGE

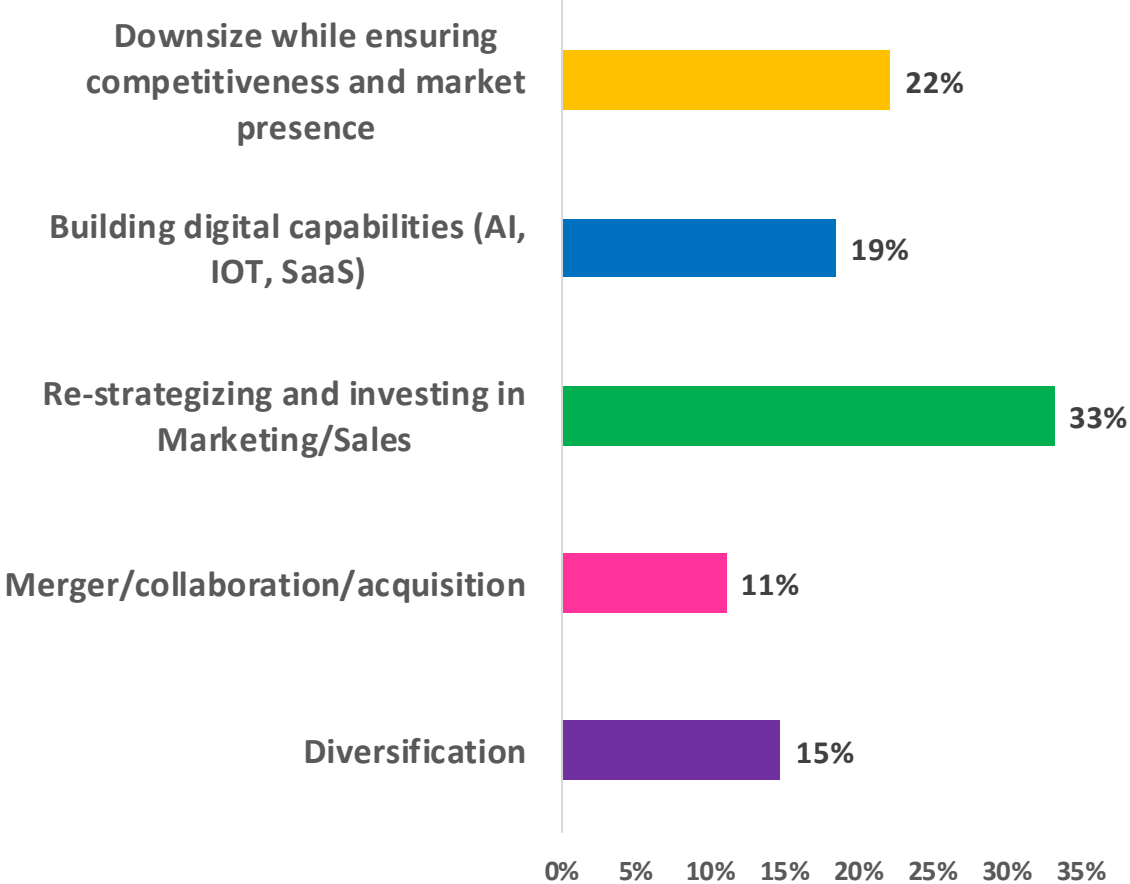
EXPECTED CAPITAL DEPLOYMENT RATE FOR 2020



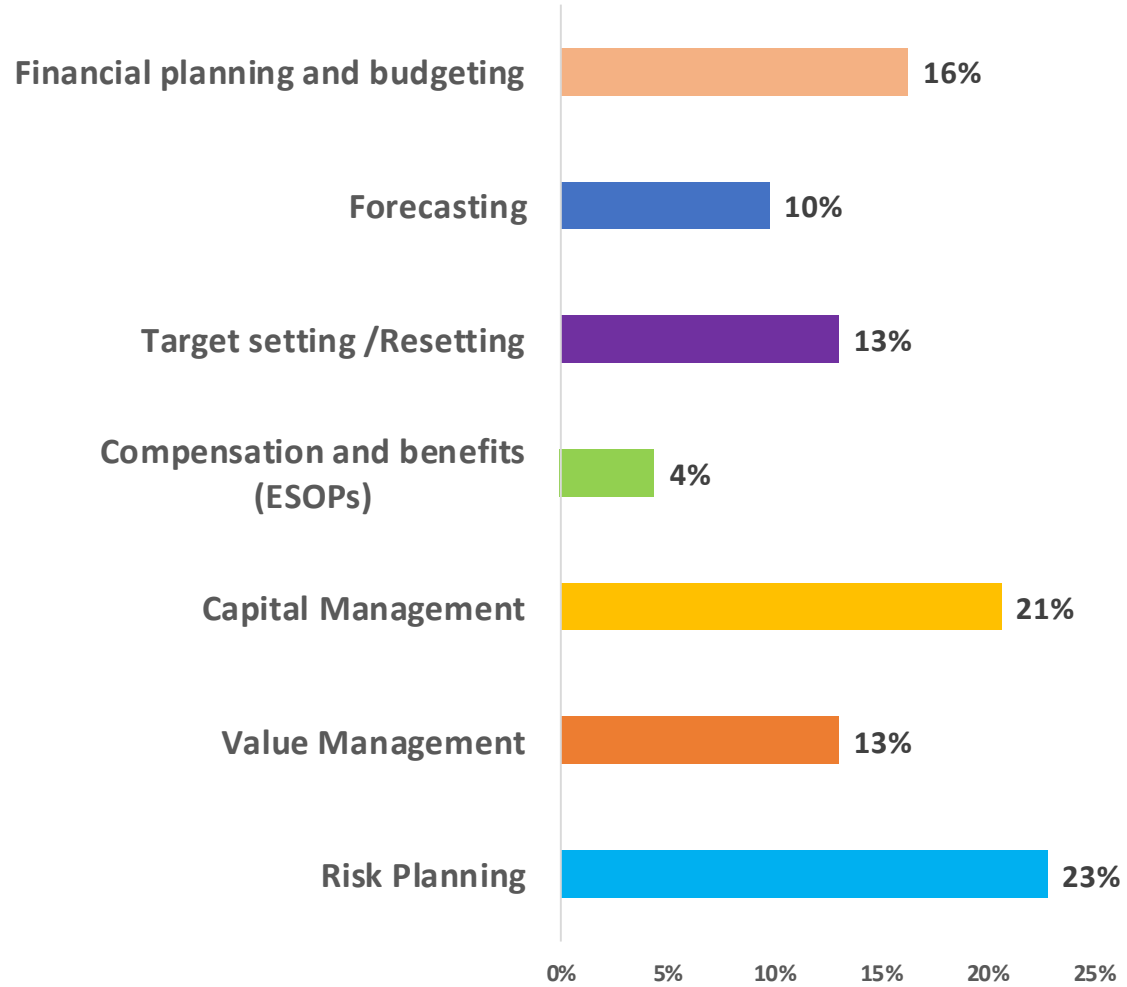
Expected capital
deployment rate by
Investors in 2020



As an investor what would be the immediate advice to your portfolio companies?



Priority Focus Areas for Start-ups as per Investors



Policy Support Sought by Investors

